GOVERNMENT OF ANDHRA PRADESH
A B S T R A C T

LFB&IMS Department – Ease of Doing Business – Introduction of online inspection system in the Labour Department to ensure simplification, transparency, and accountability in inspections, and to facilitate ease of legal compliance by industries – Launch of online inspection portal – Instructions issued for conduct of online inspections under G.O.Ms.No.27, dated 31-05-2016 – modification – Orders – Issued.

LABOUR FACTORIES BOILERS & INSURANCE MEDICAL SERVICES (LAB.II) DEPARTMENT

G.O.MS.No. 24 Dated: 04-11-2025

Read the following:

1. G.O.Ms.No.33, LET&F Department, dated 27-08-2002.
2. DIPP, GoI recommendations 2016 communicated through D.O.Lr.No.12-1-2015/SDP, dated 02-11-2015 of the Secretary, Industries Department, Government of Andhra Pradesh.
3. From the Commissioner of Labour, AP, Hyderabad Lr.No.I/ 2465/2015,dated 18-02-2016 and 23-02-2016
4. G.O.Ms.No.9 of LET&F (Lab.II) Department, dated 27-02-2016.
5. From the Commissioner of Labour, AP, Hyderabad Lr.No.I/ 2465/2015, dt: 26-05-2016.
6. G.O.Ms.No.27, dated 31-05-2016 of LET&F(Lab.II) Department.
7. From the Commissioner of Labour, AP, Vijayawada Lr.No.I/ 2857799/2025, dated :24.07.2025 & 04.08.2025.

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O R D E R:

1) In compliance with the DIPP Recommendations – 2016 for promoting Ease of Doing Business and to facilitate simplified, transparent, and accountable compliance with Labour Laws, the Government, vide G.O. 6th read above have issued revised procedures for implementing an Online Inspection System in the Labour Department.

2) In the letter 7th read above, the Commissioner of Labour, AP, Vijayawada in continuation of the notification issued under the G.O. 6th read above have requested modifications to the items 5,7,9 and 11 of para 5 of the G.O.6th read above regarding the risk categorization of establishments, the applicability of third-party audits and conduct of online inspections.

3) Government after careful examination of the matter, hereby by issued following medications to the G.O.6th read above.

Extracts of Existing orders in G.O.Ms.No.27, Dt.31.5.2016.	**Modification to the respective paras in G.O. Ms. No. 27, Dt. 31.5.2016 .**
<u>Item 5 in Para -5 of G.O.: Risk based Selection of Establishments for online inspection</u>: Selection of establishments for online inspection shall be on Risk assessment on the following criteria: 1. Number of workers 2. Nature of activity of the establishment 3. Number of contract workers 4. Status of compliance on the basis of combined annual return/online inspection (rating of compliance to be given by the department as prescribed by the Commissioner of Labour) 5. Complaints (from workers, trade unions, managements, citizens etc.) 6. Compulsory Inspections (ex: Orders of Courts and other Judicial Institutions like Lok-ayukta, HRC etc. 7. An establishment inspected in a year will not be inspected in the next two years.	**<u>Modification to item-5 of Para No.5:</u>** Item 5 of para-5 of the G.O. shall be omitted.
Item-7 of Para 5 of G.O.: Risk based assessment and categorization of establishments: (a) Risk categorization on the basis of number of workers: Risk in the perspective of the Labour department for categorization into high risk, medium risk and low risk establishments relates to risk to the workers in terms of their entitlement viz. wages, bonus & other remuneration, leave, holidays, working hours, worksite facilities, safety & health, welfare and social security measures like gratuity, EPF, ESI, accident compensation etc.	**<u>Modification to item-7 of Para No. 5:</u>** Item-7 of para 5 of the G.O. shall be substituted with the following; **7(a) Risk Categorisation of establishments :** Risk in the perspective of the Labour Department for categorization into High risk, Medium risk and Low risk establishments relates to risk to the workers in terms of their entitlement viz, wages, bonus & other remuneration, leave, holidays, working hours, worksite facilities, safety and health, welfare and social security measures like Gratutity, EPF, ESI, Accident compensation etc.

Experience of the department indicates that the smaller the establishment the less is the compliance.Therefore establishments employing up to 300 workers (including contract workers) are categorized as high risk establishments.

Establishments having more than 300 workers (including contract workers) generally comply with the labour laws to a reasonable extent due to their resourcefulness and further Compliance may be secured by persuasion. These establishments are categorized as medium risk establishments.

All establishments having no employees are categorized as low risk establishments and totally excluded from inspection system.

(b) Risk categorization on the basis of number of contract workers engaged:

There are certain establishments employing large number of Contract workers in some cases more than the number of regular workers. In such establishments the terms and conditions of employment of regular workers and contract workers are totally different and contract workers are prone to exploitation. The contract establishments of all such establishments employing Contract workers exceeding 25 % of total workers of the Principal Employer establishment are categorized as high risk establishments.

(c) Risk categorization on the basis of nature of activity of the establishment:

In certain activities workers are prone to exploitation besides risk of accidents and health hazards.

The establishments will be categorised as High Risk/Medium Risk /Low risk depending upon the number of workers employed as follows :

High risk - 1-30 workers
Medium Risk - 31-100 workers
Low risk - above 100 workers

Upon review, the Government may, from time to time, include or exclude any class or category of establishments from the scope and applicability of the orders issued under this Government Order, subject to such conditions as may be prescribed.

7(b) Third Party Audit Certification :

All low risk and medium risk establishments are allowed third party certification and those establishments opted for third party audit certification shall not be inspected by the Department.

Provided that the establishments undertaking the activities of Brick kiln, Cashew Processing, Chemicals and pharmaceuticals, Match and Fireworks, Petrol Bunks, Stone breaking and stone Crushing operations, Tanneries and Leather manufacture and Security Services are not to be covered under Third Party Certification.

All low risk and medium risk establishments shall furnish every year a combined online annual return-cum-self certification in accordance with the integrated Registration Act along with third party audit certification to qualify for exemption from departmental inspections.

Failure to submit on time the necessary third party audit scheme returns specified under different Acts will render the establishments ineligible for exemption from

High Risk Establishments: The establishments undertaking the following activities are categorized as high risk establishments. 1.Auto mobile engineering workshops including servicing and repairs, 2. brick kilns, 3.cashew processing, 4.chemicals and pharmaceuticals, 5.cinema industry, 6.colour printing and yarn dying, 7.construction maintenance of roads and buildings, 8. Cotton ginning and pressing, 9.Glass industry, 10. Hotels, restaurants and eating houses, 11. Jute and coir, 12.Khandasari Factories, 13.Lime kilns, 14. Match and fire works, 15. Metal foundries and general engineering, 16. Mica works, 17.Petrol bunks, 18.Power loom industry, 19.Motor transport undertakings, 20.Rice Mills, flour mills, dal mills, oil mills, saw mills, 21. Steel mills and steel-rerolling mills, 22. stone breaking and stone crushing operations, 23. Tanneries and leather manufactory, 24.Tiles and potteries, 25. Tobacco including beedi making, 26. Security services, 27. Spinning mills, 28. Baking process including biscuit manufactory, 29. Cement concrete pipes, 30. Cotton carpet weaving, 31.distilleries and breweries, 32. Gold covering industry, 33.Mesta used twine mills, 34.Paper and Paper boards, 35. Straw board and hand made paper manufactory, 36. Power loom industry, 37. Wood working establishments, 38. Woolen carpeting and shawl weaving establishments. a) Establishments employing up to 300 workers (including contract workers) b) Establishments employing more than 25% of total workers on Contract basis c) Establishments engaged in high risk activities as specified above.	departmental inspections. However high risk establishments may opt for third party audit certification if they have consistently filed statutory returns for a period exceeding three consecutive years, Government may extend the modalities of third party audit certification to high risk establishments on application of such conditions as may be prescribed by the Govt.

Medium risk establishments: On the same basis the following establishments are categorized as medium risk establishments. 1.Clubs and canteens, 2. Electronics industry, 3.Fisheries and sea foods, 4. Garment and allied manufacturing industry, 5. 6. Hospitals, Nursing homes and clinics other than Govt. Hospitals and dispensaries, 7. Salt pans, 8.Soft drinks and aerated water manufacturing units, 9.Handloom weaving, 10.Printing press including litho and offset printing etc. Establishments employing more than 300 workers (including contract workers) and the contract workers engaged being less than 25% of total workers and the activity of the establishment is of medium risk as specified above are medium risk establishments. **Third party Certification:** All medium risk establishments are allowed third party certification and shall not be inspected by the Department. The A.P. Productivity Council shall be empanelled for third party certification of establishments falling under the category of medium risk establishments. A list of medium risk establishments shall be placed in the inspection portal of the labour department for the information of employers. The employers of all medium risk establishments shall furnish every year combined online annual return-cum-self certification in accordance with the Integrated Registration Act along with third party certification.	
Item-9 of para 5 of G.O.. Establishments exempted from online inspection:	**Modification to Point No.2 of item-9 of para 5 of G.O:** The words "All low risk establishments

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<td>1. Start Up Establishments for a period of 3 years from the date of commencement of work /business.

2. All low risk establishments (establishments having no employees).

3. Establishments under SEZs / EPZs.

4. Establishments submitted combined annual return and having no violations consecutively for 3 years.

5. Any other establishment specifically exempted by the Govt.

6. Establishment inspected in the first year will be exempted for the next 2 years for inspection by any inspecting officer.</td>
<td>(establishments having no employees)" shall be substituted with "establishments having no employees".</td>
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<td><u>Point No.(2) of item 11 in Para 5</u>: The inspecting officers shall take up online inspection of Establishments as allocated by the system on a daily basis. Inspecting Officers shall carry out online inspection only and offline/manual inspection is not permitted. Manual inspection of establishments shall be carried out only in cases of need only on the orders of Courts/Government or on specific written instructions of the Commissioner of Labour</td>
<td>Modification to Point No.2 of item-11 in para 5 of G.O: The inspecting officers shall take up inspections of Establishments as allocated by the online software system on a random basis. A prior notice shall be issued to the following categories of establishments through email/ WhatsApp/ SMS to the registered mobile number or email provided by the employer at the time of registration, before inspection, as part of a cooperative compliance approach. Manual inspections other than those stipulated and notified in the online software system allotment of inspections on a random basis, shall be undertaken and conducted only when necessary and only upon orders of the Courts/Government or specific written instructions of the Commissioner of Labour.
<table>
<tr><th>Aspect</th><th>Prescribed time</th><th>Establishments</th></tr>
<tr><td>Insurance of prior Notice of</td><td>30 days</td><td>Establishments having branches in more than one State.</td></tr>
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	inspection	15 days	Establishments having branches in more than one District in the State.
		7 days	Establishments having branches within the District or Un attributed/ Unspecified operational Jurisdiction establishments.

4. The Commissioner of Labour, AP, Vijayawada shall take necessary further action in the matter accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M.V. SESHAGIRI BABU
SECRETARY TO GOVERNMENT

To
1) The Commissioner of Labour, Andhra Pradesh, Vijayawada.
2) The Commissioner, Printing, Stationery and Stores Purchase, AP, Vijayawada for publication in the Extra-ordinary issue of Andhra Pradesh Gazette.
3) The Secretary to Government, Industries and Commerce Department.
4) The Director of Factories, Andhra Pradesh, Vijayawada.
5) All the District Collectors through Commissioner of Labour, AP, Vijayawada.

Copy to
1) PS to the Hon'ble Minister for Labour.
2) PS to the Secretary to Government, LFB&IMS Department.

//FORWARDED :: BY ORDER//

SECTION OFFICER